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**TESTIMONY**

of the

**CONNECTICUT CONFERENCE OF MUNICIPALITIES**

to the

**APPROPRIATIONS, PLANNING & DEVELOPMENT AND COMMERCE  
COMMITTEES**

on the

**DECD DRAFT SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT  
PROGRAM: ALLOCATION PLAN – FEDERAL FISCAL YEAR 2010**

June 30, 2010

The Connecticut Conference of Municipalities is Connecticut's statewide association of towns and cities and the voice of local government. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to comment on DECD's Small Cities Communities Development Block Grant program.

Connecticut must make the necessary investments in economic development for communities to create jobs and stimulate local economies. This is especially so during these tough economic times. To do this will require creative thinking, among other approaches.

We urge the State to develop and strengthen programs that provide greater flexibility and funding for municipalities – allowing towns and cities to use broad state standards for town-specific initiatives.

We are concerned with several aspects of the plan:

Senior Center Projects

The plan requires a new 50% cash match and the "availability and commitment of any other funds necessary to complete the project" in order to even have an application reviewed. It is our understanding that no other Small Cities project category requires communities to (1) have site control; (2) provide a 50% cash match and additional funds if needed; and (3) have bid-ready plans submitted with the application. This is not required for public facilities, economic development, or housing projects done by either public or non-profit entities.

The plan would require municipalities to develop detailed plans and have referenda to allocate funds – all with the hope that the application will be successful. That's requiring a lot from communities that will be in financial crisis for several years. Most communities do not have that kind of cash on hand for such projects – especially these days.

DECD's own statistics in its draft ConPlan 2010-2015, noted in Tables 2 and 6, illustrate the State's increasing senior population growth from 2000 to 2008. This provision seems counter to the State's needs and sends the wrong message to our elderly and vulnerable population. This is as unnecessary as it is prohibitive.

**We urge you to reject the requirement for a 50% cash match.**

#### Section 108 Program

CCM does not understand the rationale behind applying for \$20 million under a Section 108 pilot program, but allocating only \$3 million to communities or regions. The proposal seems broad and ill-defined. It needs to be more tightly written.

Issues not clearly spelled out in the draft plan need to be clarified. CCM opposes the following:

1. *Elimination of "In-Kind" Contribution Allowance to Meet State's "Match" Requirements:* This is a significant change to the program and is not outlined anywhere in the Action Plan, but rather has been silently omitted from the application. As noted on the application forms, "leverage of other funds" is a stated priority in this year's application point scoring by DECD. However, by eliminating the "in-kind" contributions this will create a financial hurdle for many communities that, during these tough fiscal times, might now be unable to take advantage of these funds for needed projects.

**We urge you to reject the elimination of in-kind contributions.**

2. *Removal of Homeownership and Interim Assistance as Eligible Activities:* Historically the Small Cities funds have been used for downpayments or closing costs, along with interim assistance for non-routine neighborhood cleanup campaigns, graffiti removal and other activities to support neighborhood revitalization.

Homeownership is vital to the revitalization of neighborhoods. With so many homes being foreclosed on and current economic times making it harder for individuals to get mortgages, it seems counter to Connecticut's needs to eliminate this important role for these funds.

**We urge you to reject removal of the homeownership and interim assistance as eligible activities.**

3. *Limitations on How a Community Uses CDBG Funds to Benefit Low and Moderate Income (LMI) Persons:* The Plan appears to limit the benefits of the Small Cities program to a narrower population and appears to go beyond the allowable HUD criteria. This would hamper the ability of local communities to meet the needs of their low/moderate income population.

**We urge you to reject limitations on how a community uses CDBG funds to benefit low and moderate income (LMI) persons.**

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We urge DECD to work closely with communities when devising rules and regulations. For example, last month, the Department unilaterally issued a rule regarding regional economic development districts. The rule mandated, among other things, the number of municipalities that must be in such districts, without an apparent clear rationale. The policy was highly problematic for municipalities – especially those already in the planning stages. The Department is now working with municipalities considering revisions to address municipal concerns.

CCM looks forward to working with you to develop, strengthen and implement programs to ensure that Connecticut's unique quality of life, which is so essential to our economic success as well, is preserved.

Thank you.

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If you have any questions, please call Kachina Walsh-Weaver or Ron Thomas at (203) 498-3000.